Economic Impact of Utah Libraries: Pilot Study

Prepared by:

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Executive Summary

The groundwork for this study was presented to the Utah State Library Division in 2005, by Joe G. Baker, Ph.D., (Southern Utah University), Steven D. Decker, MLS, (Cedar City Public Library), and Douglas Abrams, MLS, Ph.D., (the liaison representing the Utah State Library Division). The preliminary work reviewed data from different states and communities in regard to the economic impact of public libraries. From that review, several scenarios were presented through which Utah could embark on a study to produce findings appropriate for Utah.

Borrowing an explanation from the 2005 study:

"The committee was given information that related to statewide studies conducted in Pennsylvania (1998), Florida (2000 and 2004), New York (2004), South Carolina (2005), and the cities of Carlsbad, CA (2005) and St. Louis, MO (1998). Each jurisdiction has reported positive returns on monies spent for library service. St. Louis reports a return of \$4 for each \$1 spent (direct benefit); South Carolina reports a total benefit of \$4.48 (\$2.86 in direct benefits and \$1.62 in indirect benefits); New York boasts that for each \$1 of *state* aid, library users receive "approximately \$13 in services" (total); Florida indicates a total return of \$6.54 per \$1dollar expended."

A survey, based on South Carolina's model, was developed for Utah. It addressed quality of life issues, impacts of libraries on educational, business and investment information, a demographic of respondents, questions related to perceived personal dollar value benefits of services, and the value of various library services.

Deliverables for this study include a projected total estimated ROI (Return on Investment) value for Utah public library services.

ROI is defined as:

(Economic value of library services – Library budget) / Library budget²
The source of these values is explained under "Methodology." Based on information extrapolated by the methodologies explained, this pilot study reports report asserts an estimated ROI of \$7.35. That is, \$7.35 of value is derived from each dollar invested in Utah public libraries.

This study also contains a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. Such an analysis was not part of the deliverables under which the researcher worked. However, some matters became apparent and warranted a brief statement. As with any such analysis, items categorized into each SWOT category may be considered somewhat subjective. This study suggests the following:

- Strengths: Quality of life issues and educational opportunities.
- Weaknesses: Weak or ineffective efforts that target those seeking business or investment information or help for job seekers; use of library staff by information seekers of educational, investment or business information.
- Opportunities: Marketing efforts to overcome weaknesses, including information intended to enhance job productivity and performance.
- Threats: Library competitors both direct (bookstores, online book sellers, the Internet, and media) and informal (information from friends, relatives, or coworkers).

Methodology

Several steps were taken to assure accuracy and appropriate measurement of ROI value for Utah libraries. It should be noted that the researcher is not an econometrician, but is well versed in the studies completed by other entities. South Carolina's example was used as a basis for Utah's survey tool.

A demographic question was inserted into the survey. This question required an answer. This approach has generated at least one incident of criticism. The potential respondent stated she did not complete the survey because her salary-range information was too personal. Yet, the demographic information requested was deemed necessary and proper to gain information and perspective about the respondents. Another potential survey taker suggested an open-text comment box. This was also considered when designing the survey. It was rejected because of the inability to quantify textual responses.

Appendix A indicates specific ROI calculations. Values were assigned thus:

• Library Budget: Total amount of expenditures (\$84,097,790) reported in 2007 by Utah public libraries, plus the annual cost (\$520,000) of PIONEER: Utah's Online Library (public access version). PIONEER is included because it is universally accessible at or through Utah's public libraries, though the payment for the service is budgeted through the Utah State Library Division. The value of PIONEER is calculated by multiplying views* (805,732) by the average dollar amount respondents indicated they would be willing to pay in response to, "What would you be

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^{*} Indicates results retrieved not simply searches (1,040,246).

- willing to pay to ACCESS SPECIAL DATABASES ONLINE at the LIBRARY, or at HOME?"
- Value of Circulation Transactions: Total circulation transactions

 (32,142,615) as reported by Utah public libraries in 2007 multiplied by the average dollar value of the New York Times Best Seller lists for hard cover fiction, hard cover non-fiction, trade paperback fiction, and paperback nonfiction on January 2, 2009. (This figure is believed to be conservative. It excludes high cost items like academic books, non-books such as books-on-CD, DVD, and other high cost items. Likewise it excluded lower cost materials like mass market paperbacks).
- Value of Interlibrary Loan Transactions: Transactions reported (23,088)
 as "received" by Utah public libraries in 2007. Transaction cost is
 attributed to the average dollar value of a book as explained above.
- Value of Magazine and Newspaper Subscriptions: Total number of periodical subscriptions (15,726) reported by Utah public libraries in 2007 multiplied by the average one year periodical subscription rate as evidenced by Cedar City Public Library's EBSCO annual periodical subscription list.
- Adult Program Value: Attendance at young adult and adult programs
 (111,223) as reported by Utah public libraries in 2007 multiplied by the
 average dollar value of survey responses to, "What would you be willing
 to pay to ATTEND ADULT PROGRAMS or CLASSES at the
 LIBRARY?"

- Children's Programs Value: Attendance at children's programs (638,920)
 as reported by Utah public libraries in 2007 multiplied by the average
 dollar value of survey responses to, "What would you be willing to pay to
 have YOUR CHILDREN ATTEND CHILDREN'S PROGRAMS at the
 LIBRARY?"
- Computer Access Value: Total computer accesses (2,422,897) reported by Utah public libraries in 2007 multiplied by the average dollar value of survey responses to, "What would you be willing to pay to USE COMPUTERS and INTERNET ACCESS at the LIBRARY?"
- Database Access Value: Number of local databases (505) as reported by Utah public libraries in 2007 multiplied by \$1,465.55, which is the average dollar value per local data base calculated by dividing the expenditures on materials in electronic format (\$740,105) by the number of local databases (\$740,105/505=\$1465.55). (PIONEER calculated separately).
- Reference Question Value: Number of reference questions (3,963,674)
 reported by Utah public libraries in 2007 multiplied by the average dollar value of survey response to, "What would you be willing to pay to have REFERENCE QUESTIONS ANSWERED and RECEIVE ASSISTANCE at the LIBRARY?"
- PIONEER Value: Defined in first bullet, above.
- Economic Value of Service is the total value of services derived by the sum of the above calculations.

Therefore, an estimated ROI is determined by the calculated economic value of service (the sum of all factors bulleted above), less the total expenditures of all Utah libraries in 2007. That figure is then divided by the total expenditures of all Utah libraries in 2007 – the same number that was subtracted.

The survey was open to the public from December 22, 2008 through January 15, 2009. There were 283 respondents to the survey. Notification of the survey opportunity was accomplished through e-mail, a ULN posting, a press release to all Utah newspapers, a press release to most college campus newspapers, a press release to radio and television stations, and special notice by Amanda Dickson on her KSL Radio program. A direct link to the survey was attached to all e-mails. Press releases directed potential respondents to http://library.utah.gov – the website of the Utah State Library Division, who graciously sponsored a link to the survey. Judging from the timing of responses, those who received an invitation by direct e-mail were most likely to respond to the survey. There is no evidence that the press releases to media had significant, if any, impact.

Low total numbers of respondents to this "Pilot Study" may be of concern.

However, the calculated ROI estimate does reflect a figure within the anticipated range, and appears to be in harmony with similar studies in other jurisdictions. Further, Utah's high library usage, as compared to usage in neighboring states, may increase the "value" residents attribute to library service. Finally, libraries have received media attention, as of late, related to the increase of library use during economic downturns. Whether or not this data is reflected in the values respondents placed on library service is undetermined.

A copy of the survey and the response totals is attached in the appendices.

Findings

Demographics

Library Users	96.8%	Household Income Below \$50K	35.0%
Library Non-Users	3.2%	Household Income: \$50k to \$100K	50.9%
Male	28.6%	Household Income: Over \$100K	14.8%
Female	72.1%	Bear River AOG	19.1%
Under Age 25	8.8%	Wasatch Front Regional Council	17.0%
Age: 26-35	19.4%	Mountain Land AOG	25.1%
Age: 36-50	29.7%	Uintah Basin AOG	0.4%
Age: 51-65	35.3%	Six County AOG	3.5%
Age: Over 65	7.1%	Five County AOG	14.8%
		Southeastern Utah AOG	19.1%

SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

Strengths:

- Not surprisingly, libraries score high on quality of life questions.
 - o Libraries improve overall quality of life, 98.9%.
 - Libraries increase property values, 60.4%.
 - o Libraries nurture my love of reading, 90.1%.
 - o Libraries provide a source of personal enjoyment, 94.2%.
 - o Library materials enhance personal fulfillment, 90.9%.
- Only 2.8% of respondents indicated that libraries did not impact quality of life.
- Educational opportunities: My library has helped me with life-long learning,
 91.3%.

Weaknesses:

 The survey indicated that 56.9% of respondents "seek" educational, financial or business related information weekly or more often, but only 36.1% do so at the library.

- Only 17.8% of respondents indicated they regularly used library staff to assist in finding educational, investment or business information. Whether this reflects a lack of confidence in staff or simply an unwillingness to ask for help is uncertain. A surprising 38% of patrons claim they seldom or never consult library staff on these issues.
- 26.1% of respondents rarely or never use a library in seeking educational, investment or business information.
- Libraries have been weak in marketing themselves as tools for job seekers.
 - o Libraries helped me in my job search, 19%.
 - o Libraries saved me money in my job search, 9.9%.
 - o Libraries helped me obtain a new job, 14.6%.

Opportunities:

- Educational opportunities:
 - o My library has helped me with my formal education, 41.9%.
 - Libraries helped me in my home schooling efforts, 18.1%.
- Libraries could be used more as an economic marketing tool.
 - Libraries attract new business to communities, 45.6%.
 - Libraries attract patronage to local business, 57.2%.
- Libraries could be used more in seeking financial information, beginning new businesses, and as gateways to technology.
 - Libraries helped me manage my personal finances, 24.1%.
 - Libraries helped me obtain information for personal investment, 15.7%.
 - Libraries helped me be more productive in my job, 37.6%.

- o Libraries helped me begin a new business, 8.4%.
- o The library introduced me to new technologies, 45.3%.
- Regular use of library databases (in which PIONEER: Utah's Online Library would be included) is indicated by 29.9% of respondents and occasionally by another 30.6%.

Threats:

- Librarians and decision makers must recognize library competition. Information is sought from various sources. Given the choice of the following, respondents indicated that educational, business and investment decisions were influenced by:
 - o Friends or relatives, 53.2%.
 - Brokers or advisors, 29.1%.
 - o Internet, 83%.
 - Libraries, 66.7% (interesting if 38% of respondents claim they seldom or never use librarians in finding information on these issues).
 - o Television or radio, 24.5%.
 - Magazines or newspapers, 48.6%.
 - There is no information as to whether the Internet, magazines, or newspapers were accessed at or through a library
- Answers to whether the library has contributed to the respondents financial well-being was split in almost even thirds between definitely, somewhat, and no. (An interesting statistic in light of the 42.8% of respondents that indicated libraries had benefited them personally more than \$1,000 and the fact that 61.2% of respondents indicated that they would be willing to pay up to \$50 each year for

the information they obtained at the library, and about half of those indicated they would be willing to go up to \$100 per year).

Survey results indicate that a high number of respondents were library users. This is not surprising given the manner in which the survey was distributed – through library networks.

It is important to note, too, that nearly two-thirds of Utah's population or 1,674,976 registered borrowers held cards to Utah's public libraries in 2007. Exact extrapolation of how many citizens take advantage of Utah's public libraries is difficult because the card holders reported may include (1) family cards (issued by some libraries for use of all persons "under a roof"), and (2) library patrons holding cards in multiple library systems. For example, a patron may live in Davis County but work in Salt Lake County and have a card at both locations. Likewise, a person may hold a card to a rural fixed-base library and hold a concurrent card to a bookmobile library. Each instance of a family card pushes the percentage of cardholders per population down; each instance of multi-jurisdictional cards pushes the percentage up. Further, some libraries may regularly delete expired cards; other may not recognize expiration dates or may not deal with them in a timely manner. There is no way of mitigating for these variables. However, in reviewing the information below, it is reasonable to believe that other states have very similar conditions.

Utah's percentage of population with library cards is the highest is the Mountain Plains Library Association, a twelve state, regional library association.³

State	Registered Borrowers	Population	Percent of Card Holders	Year Indicated
Arizona	3,510,774	6,178,251	56.82%	2006
Colorado	2,810,355	4,751,474	59.15%	2006
Kansas		Not Re	eported	
Montana		Not Reported		
Nebraska	933,265	1,769,473	52.74%	2007
Nevada	1,114,448	2,554,344	43.63%	2007
New Mexico	1,173,413	1,964,402	59.73%	2007
North Dakota		Not Re	eported	
Oklahoma		Not Re	eported	
South Dakota	347,444	795,689	43.67%	2007
Utah	1,674,976	2,668,925	62.76%	2007
Wyoming	Not Reported			

Appendices

Appendix A:

Calculated ROI

ROI is defined as:

(Economic value of library services – Library budget) / Library budget

Or

(\$706,854,261.41 - \$84,617,790) / \$84,617,790 = \$7.35

Or

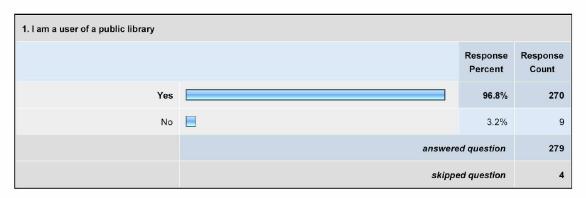
For each governmental dollar spent on Utah Libraries,

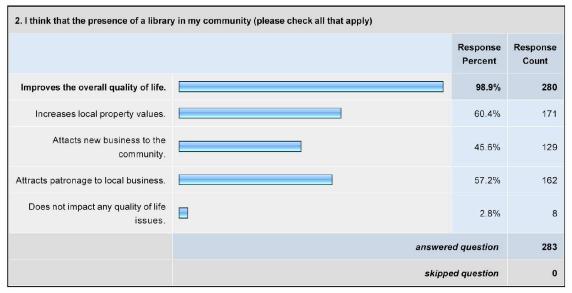
Utah residents receive a total value of \$7.35

Dollar			Е	conomic Value of
Value per			Lil	brary Services per
Incident	Measurement	Incidences		Measurement
\$21.36	Circulation Transactions	32,142,615	\$	686,566,256.40
\$21.36	Interlibrary Loan Transactions	23,088	\$	493,159.68
\$53.93	Magazine / Newspaper Subscriptions	15,726	\$	848,103.18
	Adult programs	111,223	\$	629,522.18
\$4.03	Children's programs	638,920	\$	2,574,847.60
	Computer access	2,422,897	\$	4,118,924.90
\$1,465.55	Database Access	505	\$	740,102.75
\$2.14	Reference questions	3,963,674	\$	8,482,262.36
\$2.98	Public Pioneer	805,732	\$	2,401,081.36
	Economic Value of Services		\$	706,854,260.41
	Library Budget		\$	84,617,790.00
	ROI		\$	7.35

Appendix B

Copy of Survey Results





3. The material or assistance I received at my library (please check all that apply)			
		Response Percent	Response Count
Enhanced my personal fulfillment.		90.9%	249
Nurtured my love of reading.		90.1%	247
Provided a source of personal enjoyment.		94.2%	258
Helped me manage my personal finances.		24.1%	66
Helped me obtain information for personal investment.		15.7%	43
Helped me become more productive in my job.		37.6%	103
Helped me in a job search.		19.0%	52
Saved me money in my job search.		9.9%	27
Helped me obtain a new job.		14.6%	40
Helped me begin a new business.		8.4%	23
	answere	ed question	274
	skippe	ed question	9

4. My library has helped me (please check all that apply)			
		Response Percent	Response Count
By introducing me to new technologies.		45.3%	120
By helping me with my formal education.		41.9%	111
By helping me with life-long learning.		91.3%	242
By helping me with home schooling efforts.		18.1%	48
	answere	ed question	265
	skippe	ed question	18

. Where do you obtain most of the in pply).	formation you need for educational, investment or business decis	sions? (Mark a	all that
		Response Percent	Response
Friends or Relatives		53.2%	150
Brokers or Financial Advisors		29.1%	82
Internet		83.0%	234
Libraries		66.7%	188
Television or Radio		24.5%	69
Magazines or Newspapers		48.6%	137
	answere	ed question	282
	skippe	ed question	1

6. How often do you seek educational, financial or business related information? (Mark only one).			
		Response Percent	Response Count
More than once a week		35.7%	101
About Weekly		21.2%	60
About Monthly		17.7%	50
About Quarterly		16.6%	47
Rarely or Never		8.8%	25
	answere	ed question	283
	skippe	ed question	0

7. How often do you use a library to seek educational, investment or business information? (Mark only one).			
		Response Percent	Response Count
More than once a week		17.0%	48
About Weekly		19.1%	54
About Monthly		19.8%	56
About Quarterly		18.0%	51
Rarely or Never		26.1%	74
	answere	ed question	283
	skipped question		0

8. Speaking specifically of investment or business information, what kind of investment or business information do you see the library? (Mark all that apply).			
		Response Percent	Response Count
Financial/Business Newsletters		10.6%	28
Financial/Business Papers		10.3%	27
Online Databases		28.5%	75
Investment Advisories (Examples: Value Line or Morningstar)		6.1%	16
Magazines		28.5%	75
Company Information		17.9%	47
Stock Quotes		5.7%	15
Never seek business or investment information		51.7%	136
	answere	ed question	263
	skippe	ed question	20

9. Do you consult library staff for help in finding educational, investment or business related material? (Mark only one).			
		Response Percent	Response Count
Yes - Regularly		17.8%	49
Occasionally		44.2%	122
Seldom or Never		38.0%	105
	answer	ed question	276
	skipped question		7

10. Do you use the library's online databases in your educational, business or investment searchs? (Mark only one).			
		Response Percent	Response Count
Yes - Regularly		29.9%	83
Occasionally		30.6%	85
Seldom or Never		39.6%	110
	answered question		278
skipped question		5	

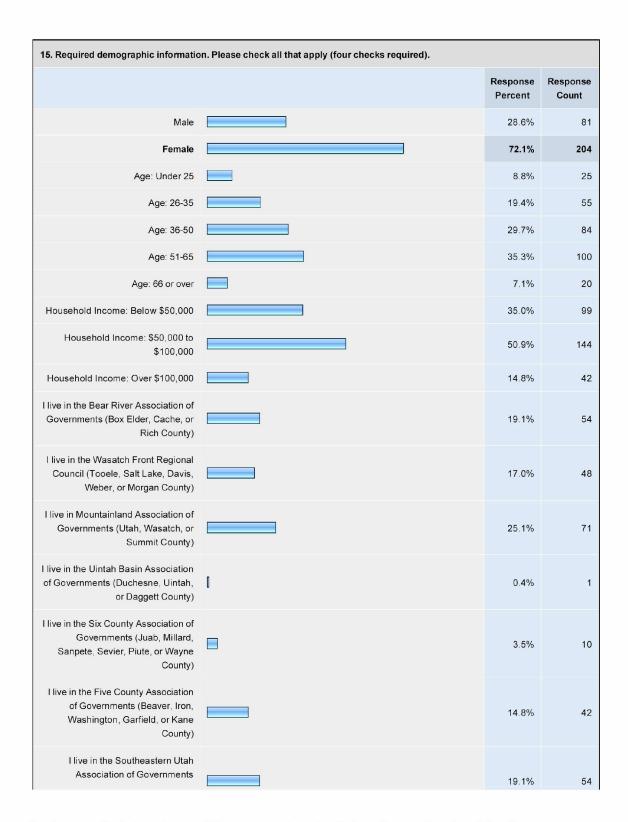
11. Do you feel that the information you obtained from the library contributed to your financial well-being? (Mark only or				
		Response Percent	Response Count	
Definitely		31.1%	85	
Somewhat		33.7%	92	
No		35.2%	96	
	answered question		273	
	skipped question		10	

12. If you did not have a library available, how much would you be willing to spend each year to obtain the information you obtained at the library? (Mark only one).				
		Response Percent	Response Count	
\$1-\$50		31.9%	86	
\$51-\$100		29.3%	79	
\$101-\$200		16.3%	44	
\$201-\$400		11.5%	31	
\$401-\$500		6.3%	17	
\$501-\$1,000	■	2.2%	6	
Over \$1,000		2.6%	7	
	answere	answered question		
	skipped question		13	

13. What is your estimate of the dollar value that the library has benefitted you personally? (Mark only one).					
		Response Percent	Response Count		
\$0-\$250		20.3%	55		
\$251-\$500		17.7%	48		
\$501-\$750		12.9%	35		
\$751-\$1000		6.3%	17		
Over \$1,000		42.8%	116		
	answered question		271		
	skipped question		12		

14. This question has no impact on the taxes you currently pay to support your local library, nor will it be used to determine future tax needs to fund your local library. Please answer each question based on what your library services are worth to you PER OCCURANCE. Please answer each question rounded to the nearest whole dollar. For example: 3 rather than 2.5 or 2 rather than 2.25. No not use decimals or \$ signs.

		Response Average	Response Total	Response Count
What would you be willing to pay to BORROW A BOOK?		1.86	525	283
What would you be willing to pay to BORROW A MOVIE?		1.85	523	283
What would you be willing to pay to BORROW / DOWNLOAD AN AUDIO BOOK?		1.32	374	283
What would you be willing to pay to BORROW MATERIALS THROUGH INTER-LIBRARY LOAN?		2.40	680	283
What would you be willing to pay to USE MAGAZINES / NEWSPAPERS in the LIBRARY?		1.24	350	283
What would you be willing to pay to ATTEND ADULT PROGRAMS or CLASSES at the LIBRARY?		5.66	1,603	283
What would you be willing to pay to have YOUR CHILDREN ATTEND CHILDREN'S PROGRAMS at the LIBRARY?		4.03	1,141	283
What would you be willing to pay to USE COMPUTERS and INTERNET ACCESS at the LIBRARY?		1.70	481	283
What would you be willing to pay to ACCESS SPECIAL DATABASES ONLINE at the LIBRARY, or at HOME?		2.98	842	283
What would you be willing to pay to have REFERENCE QUESTIONS ANSWERED and RECEIVE ASSISTANCE at the LIBRARY?		2.14	607	283
		answered question		283
	skipped question		0	



Southeastern Utah Association of Governments includes Carbon, Emery, Grand, and San Juan counties.

Appendix C:

Brief Resume of Researcher: Steven D. Decker

Professional Experience

- 1998 Present: Director, Cedar City Library in the Park, Cedar City, Utah.
- 2005 Present: Adjunct Faculty, Dixie State College, St. George, Utah.
- Spring 2007: Adjunct Faculty, Emporia State University, Emporia, Kansas.
- 1993 1998: Branch Manager/Assistant Vice President, State Bank of Southern
 Utah, Cedar City, Utah (Parowan Office).
- 1987 1993: Director, Parowan Public Library, Parowan, Utah.
- 1985 1987: Recorder, Parowan City, Parowan, Utah.
- 1980 1985: Accountant/Auditor, TW Services, Cedar City, Utah.

Education

- 2008 Present: American Library Association Public Library Association,
 Candidate, Certified Public Library Administrator.
- 2004: Master of Library and Information Science, Emporia State University,
 Emporia, Kansas.
- 1984: Bachelor of Science, Political Science, Southern Utah University, Cedar City, Utah.
- 1984: Undergraduate Certificate in Public Administration, Functional Emphasis:
 Governmental Accounting, Southern Utah University, Cedar City, Utah.

Professional Memberships

- American Library Association (Library History/Library Research Roundtables).
- Public Library Association.

- Mountain Plains Library Association.
- Utah Library Association (Current President).

Volunteer and Community Experience

- Grant Review: American Library Association, Visions of the Universe: Four Centuries of Discovery.
- Utah Humanities Council: Board Member, 2008 Present.
- Institutional Review Board, Gerald R. Sherratt Library, Southern Utah University,
 Cedar City, Utah.
- Parowan City Mayor (1997), Council Member (1994-1996), event organizer.

Honors and Publications:

- Decker, Steven D. "Unwilling Martyr Revisited." <u>Iron County Journal</u> (Anticipated publication, January 2009).
- Utah Library Association, Librarian of the Year, 2007.
- Decker, Steven D. [Paper Presentation] Information Literacy in the Public Library. Presented in Albuquerque, NM: 2007.
- Baker, Joe, Steven D. Decker, and Douglas Abrams. Report: Phase I, Economic Impact of Libraries in Utah. 2005.
- American Library Association, Association for Library Trustees and Advocates,
 National Advocacy Honor Roll, 2005.
- Utah Library Association, Special Service Award, 2004.

Notes and Bibliography

¹ Baker, Joe G., Steven D. Decker, and Douglas Abrams. Report: Phase I Economic Impact of Libraries in Utah. 2005.

² "Official Nebraska Government Website." <u>Nebraska Library commission</u>. Nebraska Library Commission. 31 Dec 2008

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³ Cardholder information and appropriate year accessed through: Baker & Taylor, Bibliostat Connect. Cedar City Public Library, 31 Dec 2008 http://connect.informata.com/Login.asp.

Population information retrieved from: "Table 1: Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2000 to July 1, 2008." United States Census Bureau. 31 Dec 2008 http://www.census.gov/popest/states/tables/NST-EST2008-01.xls.